

Farmer and community perceptions of the new rural land reform policy impacts in Henan Province, China

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ABSTRACT. The household contract responsibility system which was the land reform policy from 1978 to 2008 in China revealed shortcomings in terms of its goals. This system veers away from the commune system (1958 -1978) and endows land use and management responsibility to households. The New Rural Land Reform Policy that started in 2008 aims to create a more market led policy and it captured adjustments to correct these shortcomings. This New Rural Land Reform Policy signals a significant policy change. This paper uses Lewin's change theory as a framework and Henan province in China as a case to determine the perceived socio-economic impacts of China's new rural land reform policy. Both quantitative data through farmer survey and qualitative data from focus group discussions and key informant interviews among community members were gathered to explain the perceived impacts of the new policy. Both economic and social variables were investigated. The paper reports on the results of respondents' perceptions regarding both the potential economic i.e., willingness to rent out land and other uses of land and social i.e., social structure, organizational development, community development impacts of the newly minted set of policies, which aims to improve the 1978 land reform policy. Results show that there remain challenges to contend with such as confirming ownership and contract and management rights for the new policy to be effective. Suggestions are advanced to solve these difficulties.

Keywords: *China, perceived socio-economic impact, new rural land reform policy*

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INTRODUCTION

Land reform led by the state has effectively promoted equity and alleviated poverty in the short-term in China. However, it has not successfully solved the problems of land market-perfect, rent-seeking, and private property attributes, which negate social justice and poverty alleviation. This paper seeks to explain through farmer and community perceptions, whether the 2008 new rural land reform policy is bringing about more privatization activities leading to economic development. This new policy takes off from the 1978 land reform policy that was seen to have not delivered what was promised (Huijie, 2021).

Both the 1978 land reform and the 2008 new rural land reform policies did not change land ownership, but they changed land access and transfer to enhance agriculture development productivity. However, the new rural land reform policy in 2008 signals a significant policy change. It attempts to break the limitations of the 1978 land reform policy, through the introduction of market-oriented companies and the implementation of a stable collective ownership land reform. With the establishment of the land market, it is expected that there will be a smoother circulation of markets and human resources.

The general objective of this paper is to determine whether the new rural land reform policy implementation generates the expected economic and social impacts that were considered lacking in the 1978 land reform policy to address privatization. Specifically, it analyzes the potential economic impacts (i.e., willingness to rent out land and other uses of land) of the policy. It also determines the effectiveness of the social changes (i.e., social structure, organizational development, community development) due to the new policy. The results of the analysis will further inform policy makers on improvements in the implementation and additional policy support to improve the 1978 land reform policy and achieve the goal of a more market-led land reform.

This paper has four parts. In the introduction, the paper discusses a brief history and summary of land reform policy in China and the change theory supporting the analysis. The second part explains the methodology of the case study while the third part presents the results and discussion. The last part contains the conclusions and recommendations for improving policy implementation.

Towards a More Market-Led Land Reform Policy

Agriculture in China plays an extremely important role in economic development and social stability. Hence, since ancient times, land has been an important resource for any ruler. In 1949, the Communist Party of China (CPC) led a series of land reform policies aimed to stimulate rural and agricultural modernization. After the founding of New China, China experienced two important land reforms: the Radical Farmland Revolution (1949-1958) and the People's Commune Institution (1958-1978). From 1978-2008, China established the Household Contract Responsibility System, and in 2008, it continually introduced a series of improvement policies on Household Contract Responsibility System. All of these improvement in policies are collectively called the New Land Reform Policy by scholars. These new land reform policies have had far-reaching and long-lasting impacts on the socio-economic, political, and even cultural fabrics of the country (Huijie, 2021).

After farmland revolution (1949-1958) and People's Commune Institution (1958-1979) periods, the household contract responsibility system in 1978 became the main system of rural farmland construction in China. However, with China's agriculture development, the household contract responsibility system in 1978 revealed many problems.

The CPC gradually implemented land reform policy change through a series of meetings involving agriculture. In January 2005, the Ministry of Agriculture promulgated the *Rural Rights of Rural Land Contract Management*. The approach allowed farmers to transfer land to other new business entities, individuals, or organizations engaged in agricultural scale operations. Related supporting system, however, was lacking. Farmers were afraid of losing their land and unwilling to transfer land use rights to other farmers or organizations. In 2005, *Document No. 1* proposed that "the transfer of contractual management rights must be voluntary and paid for farmers." More focus was given to farmers' issues.

In 2008, the Third Plenary Session of the 17th CPC Central Committee adopted the *Decision on Promoting Some Major Issues in Rural Reform and Development via strengthening the transfer management and services of land contractual management rights, establish and improve the market for the transfer of land contractual management rights* (Xinhua News Agency, 2021). No substantial change was made with regard to the ownership and transfer of farmland in the Third Plenary Session, except that farmers were not allowed to use their land as collateral in exchange for bank loans. This was on the condition that the collective ownership and use of the land remained unchanged, in addition to the existing right

to collectively own, use, profit from, and transfer contracted land. Although these various forms of transfer of land-use rights did not mean privatization of land, they returned to Chinese farmers the rights that they have long been denied.

The CPC Committee in 2010 pointed out that the registration and certification of rural collective land ownership, the right to use residential land, and the right to use collective construction land began to be gradually implemented. This meant that the right to use rural land, like urban land, began to have certain property attributes, which was for the recognition and protection of farmers' property rights in accordance with the law.

In December 2013, China announced its latest agrarian reform policy through a resolution by the Central Committee. The resolution received considerable attention because it laid the foundation for the transformation of Chinese agriculture. The resolution showed the government's strong support for further transfer of land-use rights in rural areas and marked a big step towards a more complete privatization of agricultural lands. This extended the de-collectivization program of China's farmland, which started in the late 1970s when individual land-use rights were granted for the first time. With growing amounts of capital being invested in the countryside, these use rights were transferred to corporate entities.

In December 2014, the implementation of the *Opinions on the pilot work of rural land acquisition, collective operational construction land entry into the City, and the reform of the homestead system* was implemented. This was interpreted by scholars as the *Separation of Powers for Three Arrows* of rural land reform, hence marking a new round of land reform. The idea of *separation of the three powers* (ownership/contracting rights/management rights) is the core of the rural land reform strategy. This indicated that one has the right to stabilize the contract and release the right to operate. A separate, parallel, and focused promotion of agricultural modernization was the other major institutional innovation in rural land reform after the household contract responsibility system.

On October 31, 2017, the draft amendment to the *Land Contract Law of China* was submitted to the 30th meeting of the Standing Committee of the 12th National People's Congress for initial consideration. The draft clarified that the state protects contractual relations of rural land in a stable and long-lasting manner in accordance with the law to give farmers stable land contracting management expectations, and extend the arable land contracting period for another 30 years. In this year, the idea of

separation of the three rights, which is the basis of the separation of ownership and use right of land reform in 1978, was mentioned by the CPC. The separation refers to the pattern of forming the separation of ownership, contract and management rights, and circulation of land. The purpose of the *three-right division* was to release the farmers' right to contracted land, by which they not only had the right to use, but also the right to operate. Therefore, it was necessary to polish the relevant laws and regulations to effectively design the norms for ownership and circulation rights. These norms were aimed not only to protect the farmers' land rights, but also to enhance the institutional mechanisms needed for moderate scale management of land.

The *New Rural Land Reform* policy has been implemented since 2008. Preliminary results show that it has settled some economic and social issues so far that arose from the 1978 policy. However, it is important to understand how the Chinese would view the potential effects of this new policy in their economic and social life that may call for another cycle of change.

Framework of Analysis

Kurt Lewin, known as one of the modern pioneers in social, organizational, and applied psychology, proposed a three-step model change theory. This is a three-step process of change management that gives a manager or change agent an idea of implementing change. The Lewin model (Schein, 1995) includes three phases to move an organization from its current state to a desired future state: *Unfreeze – Change – Refreeze*. To *unfreeze* means to unfreeze the current behaviors and processes, separated from structures and management practices that are no longer functioning and about to break. Then, point out the direction of *change* and implement change, make the needed changes and practice new behaviors. Third, *refreeze* practices into everyday actions. The purpose of refreezing the organization in a new equilibrium is to ensure that the new way of working will not change easily, which is to strengthen the new behavior that supports this change.

This model guides managers how to implement new processes and re-assign tasks to encourage people to change. Change, however, will only be effective if the people involved embrace it and help put it into practice. Lewin's unfreeze-change-refreeze can be applied in China's land reform.

Unfreeze. China's urban-rural dualization has highlighted that food production and the emigration of the rural young surplus labor force have left only elderly and children in rural areas (Schein, 1995). The strategies could be either change the relevant land policy, grant land property rights, or continue to widen the gap between urban and rural areas. The new vision and mission have been communicated to all stakeholders. Change initiatives with visions, showing how the new future would be better than the status quo. The leaders must point the directions and include followers in every step of the plan so they can see themselves in it.

Change. Change management must be consistently led by leaders and supported by managers at all levels. These managers not only convey the message down the line but also report on feedback and progress. However, what dooms most change initiatives is a lack of follower involvement throughout the process. How to control the implementation process and capture the followers' hearts are also needed. Strategizing change requires following the project implementation plan. It is important to communicate a clear picture of the desired change and the benefits to people, so they do not lose sight of the destination (Schein, 1995).

Refreeze. After changes are brought in, the changes must be projected through people and their attitude. Lewin's three-step change model would be woven into a discussion of the impact of land reform policy process change on followers, and proposes that successful change efforts must acknowledge and account for the change cycle.

China land reform policy is circular: background of the land reform policy situation (Unfreeze), changing the old policy to a new one and implementing (Change), and forming the new stable situation (Refreeze), while aware of the new problems that have risen in the context of each period. Then another cycle of land reform will begin. Land policy changes aimed at affecting the distribution of land access, with or without affecting the distribution of land ownership, are among the most ubiquitous development policies in history. The ultimate aim is to prevent land concentration and to allocate land optimally.

METHODOLOGY

Selection of Study Site

Henan province is chosen as the case study site because it is the granary province of China. As such, it is expected to increase maize and wheat production every year. For this reason, the state Council invests a

large amount of money in agricultural production and research in the province every year.

According to the China Statistical Yearbook 2018, the cultivated land area of the whole country in 2017 was 1.349 million ha (1.349 million km²). Henan Province with 0.08 million hectares, ranked third in the country, accounting for 6.01% of the total cultivated land area. In 2018, the sown area of grain in Henan Province was 10, 906 ha, with a total output of 66.49 million tons, ranking second in the country. The total annual grain production in Henan Province accounts for 10% of China’s total, and wheat production accounts for 25% of the country’s total.

There are 18 cities and 1,529 counties and small towns in Henan province. Counties representing high- (Xitao), medium- (Xiaodong), and low- (Beigou) incomes based on the causal effect indicators were selected. Table 1 summarizes the profiles of the selected sites.

Table 1
Three towns included in the study

Township/ Income class	Description			
	Total area (km ²) (2017)	Administrative villages	Population (2017)	Cultivated land area (mu) (2017)
Xitao (high)	36.74	22	45,983	34,000
Xiaodong (medium)	50.4	20	37,502	42,219
Beigou (low)	77.53	30	35,177	62,773

Note. Mu is a Chinese unit of land measurement that varies with location but is commonly 666.5 m² (Britannica, n.d.)

Since this paper is about social impacts involving different economic and social strata (Huijie, 2021), each group has a different understanding about the new rural land reform policy. To carry out the study more effectively and comprehensively, the research respondents were divided into three types: farmer groups, community or tenant operators, and governors.

Methods of Data Collection and Data Analysis

The primary data and information were collected from the land reform stakeholders. More precisely, these three groups included farmers groups (294 respondents), community (representatives from three communities interviewed), or tenant operators (three leaders of operators), and governors (three officers) from each of the three counties.

Key informant interviews were conducted among government officials, namely: the section chiefs of the Agricultural Economic Station of the Agricultural Bureau of the towns of Xitao, Xiaodong, and Beigou (three governors) as well as the village heads of these villages (three communities), and representatives of rural cooperative (three leaders of operators). The governors are the section chiefs of the Agricultural Economic Station of the Agricultural Bureau of the towns. The three village heads represented the three communities, and the tenant operators are the representatives of rural cooperatives in China.

The relation of these three departments is vertical in administrative level. These departments drew a new rural land reform plan suitable for the current situation in the region in accordance with the provisions of the New Rural Land Reform policy issued by the state. They also drew the plan based on the financial revenue, local conditions of the counties and villages, and after consultations with higher administrative authorities in the Agricultural Bureau of the towns, villages, and corporations.

Randomly selected cooperative village leaders were interviewed in the three towns. Key informant interviews (KII) was also conducted with owners of agricultural enterprises in the three towns. From the list of agricultural enterprises in the towns, five samples were drawn for the interview.

The farm survey respondents and the FGD farmer-participants were chosen by stratifying the counties within the Henan province into income class. They represented high, medium, and low- income counties. Fifteen survey respondents (five for each township) were selected to participate in the farmer group FGDs to discuss the social issues that arose and must be settled. Some 100 questionnaires were sent per county; 98 per county were recovered or 294 responses in total.

The survey using questionnaires was conducted from January 15 to 30, 2021, while the focus group discussion was held on February 3, 2021. Interviews with key informants were held on December 25, 2020 (for three officers); December 29, 2020 (for the three communities); and on January 6, 2021 (for the three cooperative enterprises).

Among the data collected and reported in this current paper are perception on the impact of reform policy, understanding the content of the new policy, main source of household income, use of land by farmers, willingness to rent, changes in social structures, organizational

development, and community development as potential effects of the new policy. Descriptive statistics and qualitative content analysis are used in the analysis.

RESULTS AND DISCUSSION

Socio-Demographic Characteristics

Age, Gender, and Residence. Table 2 shows the characteristics of the respondents. High income town respondents (Xitao) had wider range of ages (18-60), had more male, and residents working in urban centers. Low income Beigou had the highest number of farmers living there probably because they did not have enough skills to survive in the urban areas.

Occupation of the Respondents. In the three rural areas, the highest proportion (25.51%) of full-time farmers came from Beigou (L), and the lowest proportion (13.27%) came from Xitao (H) (Table 3). Xitao had more employees in the two industrial zones, Shenqi Industrial Zone and Xihuaifeng Industrial Zone, which could absorb surplus labor. That is why Xitao residents may own rural household registration, but they have more residents who work as corporate staff.

Respondents' Self-Assessment on their Understanding of the Content of the New Rural Land Reform Policy. Data on the respondents' perceived level of understanding of the content of the new land reform policy was generated. Among the 166 (56.46%) respondents who knew about the policy, 73 said they understood 'best' the content of the New Land Reform Policy, while 93 understood it 'better' (Table 4).

About 50% of the respondents in the low income county heard but do not know much about the law. This shows that land reform policy should be advocated or communicated to all stakeholders but especially to communities with low incomes.

Believing in the intent of the policy can translate to support for the new rural land reform policy. Among the advantages of the *New Rural Land Reform* system is that it gives farmers more equal choices, and this is supported by the government. For instance, if they have limited energy or are unable to engage in agriculture, they can lease some lands to cooperatives or enterprises to manage the land. This way, they not only earn rent and get dividends but also enable the effective usage of land and save time.

Table 2
Age, gender, and place of residence of the respondents

Township / Income class	Age (%)		Gender (%)		Residence (%)		No.
	18-35	35-60	Over 60	Male	Female	Rural	Urban
Xitao (high)	42.86	46.94	10.2	52.04	47.96	81.63	18.37
Xiaodong (medium)	50	36.73	13.27	48.98	51.02	70.41	29.59
Beigou (low)	44.90	25.51	29.59	42.86	57.14	90.82	9.18

Table 3
Occupations of the respondents

Township / Income class	Full time farmers (%)	Personnel of public organizations and institutions (%)	Corporate staff (%)	Individual business owners (%)	Freelancers (%)	Others (%)	No.
Xitao (high)	13.27	11.22	40.82	17.35	11.22	6.12	98
Xiaodong (medium)	19.39	6.12	18.37	9.18	15.31	31.63	98
Beigou (low)	25.51	5.1	15.31	27.55	21.43	5.1	98

Table 4
Respondents' perceived level of understanding of the content of the new land reform policy

Township / Income class	Level of understanding among stakeholders			
	Best understand (%)	Better understand (%)	Heard but don't know much about it (%)	Can't understand (%)
Xitao (high) (n=98)	48.98	31.63	10.21	9.18
Xiaodong (medium) (n=98)	20.41	50.00	20.41	9.18
Beigou (low) (n=98)	5.10	13.27	48.98	32.65
Total (N=294)	24.83	31.63	26.54	17.00

Some farmers have discovered this opportunity and are prepared to rent from others to actively start agricultural production. Aside from harvesting more grain, the rural farmers can also obtain state subsidies for food, land, and agricultural machinery, which encourages them to launch large-scale agriculture.

Some farmers have withdrawn from the contracted land to get compensation. They are living and working in the city and are enjoying the urban welfare through non-rural household registration (Hukou). They, however, needed to sign exit agreements for compensation. Thus, having better understanding of the intent of the law drives the people to follow the policy and get the expected benefits. The refreeze as mentioned by Lewin will follow suit.

**Perceived Economic Impacts of the
New Land Reform Policy**

Options of Cultivated Land Use by Farmers. Villages in Xitao initially formed a scale economy through collective cultivation. Almost half of the farmers in Xitao (48.98%) leased their lands to others (Table 5). On the other hand, the low-income county Beigou had a very minimal proportion of farmers leasing their land as almost all are full-time farmers. A high proportion of farmers in the low income county left their land idle or abandoned. This was because the land is located in a very remote area, where gainful production may prove impossible and probably no lease offers were made.

Table 5
Use of cultivated land by farmers

Township	Lease to others (%)	Idle or abandoned (%)	Cultivation of crops or cash crops (%)	Others (%)
Xitao (H) (n=98)	48.98	8.16	37.76	5.1
Xiaodong (M) (n=98)	25.51	14.29	51.02	9.18
Beigou (L) (n=98)	4.08	34.69	27.56	33.67

Perceived Change in the Respondent’s Family Income

Ten percent of respondents in Xitao and 15% in Xiaodong said that their incomes increased by more than 5000 yuan per year, after the policy was implemented. More respondents in Xitao (H) (46%) and Xiaodong (M) (41%) said that their incomes increased by more than 2000 yuan but less than 5000 yuan a year. On the other hand, the majority of the respondents in Beigou (L) (63%) retained their income or did not experience an increase in income (Table 6).

Table 6
Perceived income change of family after the new rural land reform policy

Township	Perceived income change			
	Yes, increased more than CNY 5,000 per year (%)	Yes, increased more than 2000 BUT less than CNY 5,000 per year (%)	Retained, little change in income (%)	No change at all (%)
Xitao (H) (n=98)	10.21	45.92	34.69	9.18
Xiaodong (M) (n=98)	15.31	40.82	34.69	9.18
Beigou (L) (n=98)	-	4.08	63.27	32.65

Note. USD 1 = CNY 6.75

The proportion of positive changes in income was high only in two regions: Xitao (H) (56.15%) and Xiaodong (M) (56.13%). Beigou (L) has a very minimal increase of 4.08% (Table 6). Rural areas experience a high incidence of poverty; hence, increased income can help them break out from current and intergenerational poverty.

This was the effect of the changes in farmers’ land income after subleasing the land. In fact, the farmers should earn higher income because after subleasing the land, they would have enough time and could even work in other industries. Thus, their income would be more diversified, consisting of the rental of arable land sublease, wage income, and dividends from the village’s collective industry. The sum of these incomes would be greater than their income from the original cultivated land. This was found to be true in the high and medium income counties only.

Based on the results, the *New Rural Land Reform Policy* appeared to have had greater effect on the townships with higher and middle per capita incomes (Xitao) (H) and Xiaodong (M), but not in Beigou (L). Most of the farmers in Beigou were more inclined to continue farming by themselves, hence their incomes had little effects from the *New Rural Land Reform Policy*.

Farmers in Xiaodong and Xitao gained higher income than farmers in Beguio because they had better economic bases before the implementation of the *New Rural Land Reform Policy*, better labor literacy, and relatively more open and modern farmers. Hence, they adapted to the *New Land Reform Policy* provisions and adjust to the changes more quickly, and thus refreezing stage begins in this three step cycle of change.

On February 25, 2021, China’s president Xi Jin Ping announced that many people in China were lifted out of poverty: 98.99 million poor people in the rural areas; 832 poor counties; and 128,000 poor villages. He said that regional poverty was solved, and the arduous task of eliminating absolute poverty was completed. The New Rural Land Reform system was said to have played a key role in raising farmers’ income and in alleviating poverty (Huijie, 2021).

Main Source of Household Income. There is a little confusion on the statistical result on the main source of income of farmers’ households. Almost half (45.92%) of Xitao’s (H) farmers sourced their income mainly from farming, but they also served as staff members (40.82%) in corporations (Table 7). The agriculture leader of Xitao explained that most Xitao farmers held two occupations – one in farming and the other, in the corporations near the village. Specifically, they produce in the corporation the base plant ingredient called Huai *Achyranthis bidentata*, one of the four famous Huai medicines (i.e., Huai yam, Huai dihuang, and Huai chrysanthemum). Xitao is said to produce the best plant base in China; hence, its villagers gain profit from the plant and earn higher incomes.

Table 7
Main source of household incomes from respondents

Township	State subsidies (%)	Farming (%)	Income from migrant work (%)	Other avenues (%)
Xitao (H) (n=98)	6.12	45.92	33.67	14.29
Xiaodong (M) (n=98)	7.14	26.53	36.74	29.59
Beigou (L) (n=98)	26.53	43.88	14.29	15.3

On the other hand, the main sources of household incomes in Beigou are farming (43.88%) and state subsidies (26.53%). Beigou's state subsidy is the highest among the three townships. This supplements the farmers' relatively lower income. In other words, the state subsidy has become the main household income of some farmers. Xiaodong had the highest income from migrant work (36.74%), meaning that more respondents went outside the village to work for more household income.

Beigou, as mentioned earlier, gets its main income from farming, but a big part of its income comes from higher state subsidies. Most farmers are more conservative and unwilling to change their original livelihood, so they would rather have the land be idle than rent this out. It is not surprising then that Beigou has the greatest number of people unwilling to rent (45.92%) and are considered to be 'unreached' (36.73%). This is due to the remoteness of their land as discussed below.

Further, in Beigou, fewer farmers engage in non-agricultural industries relative to the other two towns; hence, its income had been lower for a long time. It can be surmised that the farmers were relatively close and more dependent on land for their livelihood. They may not have any other choice, as Beigou is a low-income county and there are not many income opportunities, particularly, non-agriculture ones. They tended to wait and observe the advantages and disadvantages of the *New Rural Land Reform Policy* carefully before adopting them. These types of farmers are likely to refuse the change and the corresponding impact will not be delivered.

Willingness to Rent. More respondents of Xitao were willing to rent land to a private company because Xitao owns many local enterprises, which have formed large-scale enterprises. Even before the New Rural Land Policy was implemented, private companies have already begun cooperating with farmers. Hence, they have proven their reputation and credibility to the farmers that paved the way for building a trusting and stable relationship between them. This is a form of refreeze from private companies.

They were more receptive to land transfer policies, and more (42.86%) were more willing to transfer to private enterprises as compared to villagers in Xiaodong (23.47 %) and Beigou (9.18 %) (Table 8).

The farmers in Beigou, on the other hand, had a relatively different perception of land, and their dependence on the land was higher. They worried about losing the land to the lessee if they sublet the land, which would mean the loss of their main source of household income and

Table 8
Willingness to rent the rural cultivated land

Township	Willingness to pay and to whom			
	Willing, to government company (%)	Willing, to private company (%)	Unwilling (%)	Still deciding (%)
Xitao (H) (n=98)	41.84	42.86	11.22	4.08
Xiaodong (M) (n=98)	46.94	23.47	8.16	21.43
Beigou (L) (n=98)	8.17	9.18	45.92	36.73

state subsidies. Their fears could explain their lack of willingness to lease land. Additionally, Beigou’s geographical location is more remote than the other two townships; thus, increasing transportation costs, lowering profits, and weakening any intention to change among the farmers.

Xiaodong’s option ratio showed relatively neutral results, because while it has fewer local enterprises, it has the foresight to realize the positive direction of the *New Rural Land Reform*. However, the town preferred to lease to the government, because the government has a good reputation, even if the cost of leasing out was slightly lower than that of private enterprises (Huijie, 2021).

Perceived Social Impact of the New Land Reform Policy

Structure Change. With China’s opening to the outside world in 1978, many industries formed a free market and management model in line with the world market. While relevant markets for agriculture production have been basically established, the cultivated land market for farmers’ contracts have not. On August 26, 2019, the 12th session of the *Standing Committee of the Thirteenth National People’s Congress* voted to adopt the decision on amending the land administration law and the urban real estate management law. For cultivated lands, the law says, “The registration of the ownership and use right of land shall be carried out in accordance with the laws and administrative regulations concerning the registration of immovable property. The right to use rural land is also included in the real estate registration law, and the property attributes are defined for the right to use cultivated land and homestead of farmers in the later period”(Huijie 2021, p.46).

The new system involved setting up of the new land market system. Government institution, the founders of the market, first established the Rural Economic System Management Office. It also empowered the Bureau of Land Management in certificate issuance, as well as the banks in loaning rights according to land certification. The Rural Economic System Management Office and Bureau of Land Management work together with enterprises (e.g., banks, rural land corporations, and tenant operators) to build a new system. Farmers undergo registration and certification and obtain land certificates.

This new system involves the institutional change of the local government (provincial level, prefecture level, county level, and township level) in Henan province (Table 9).

In 2015, land right in Henan province was confirmed in accordance with the relevant documents of confirmation, completing the confirmation, registration and issuance of rural land contractual management rights, and the registration and issuance of rural land contractual management rights at the prefecture, county, and township levels. The new responsibility of each level of local governments for cooperation has been built. These are the changes per Levin's theory of change.

Dovring (1987) described that "Land reform is one of the classical instances of attempts to correct market failures by institutional reform enacted by or induced by public powers. Land reform means systematic change in property distribution, farm size, and land tenure conditions" (p. 394). In essence, land rent and circulation are the processes of redistribution and recombination of property rights and related resources and opportunities among different stakeholders in rural areas. Land rent and circulation are also important mechanisms to promote the continuous reconstruction and change of rural social stratum structure. A new model (separation of the three powers: collective ownership, farmers' contracting rights, and land management rights) will be formatted by three levels of rights in rural land.

The implementation of the household contract responsibility system in 1978 separated the two powers: land ownership and contractual rights. The central government tries to further stimulate agricultural production and explore the establishment of a new market for the circulation of cultivated land through the separation of three rights (ownership right, contract right, and operation right) with the implementation of the *New Rural Land Reform Policy*. The new structure was built by the CPC's top-down push and the mandatory issuance of certification.

Table 9
Responsibility at the township, county, and prefecture levels

Prefecture (City)	County	Township (Several villages united)
1. Communicates provincial documents (Prefecture Bureau of Agriculture)	1. Arranges specific lead departments (County Bureau of Agriculture-Agricultural Economic Station) and verify the feasibility of the policy in process, then report to the prefecture in stages.	1. Provides certificate for land cleared in accordance with the previous conditions issued by the villagers.
2. Develops county performance appraisal methods and holding meetings on completion situation.	2. Monitors and reports to the higher authority including the land and traditional characteristics of the county;	2. Coordinates and arranges the use of large agricultural machinery; establishes agricultural extension points and agricultural training, and issues agricultural subsidies.
3. Builds electronic system (Land Information Platform) and uses this to monitor county implementation.	3. Manages funds and work arrangements among all departments in the county; handles the training programs, meetings, and publicity work related to the pilot work of rural land confirmation, registration, and certification.	3. Confirms by public announcement, that the land contract shall be improved as the legal basis for the contractor to obtain the land contract management right.
4. The Land Administration Department shall report the opinions and suggestions on power confirmation to the people's government, as in stakeholder consultation.	4. Issues land certificate (Ministry of Agriculture and the county government); the size and area of the land is confirmed and signed by the farmers after the completion of aerial mapping by satellite (Screening of land surveying and mapping agencies through bids)	4. Convenes village chief meeting according to the regulations; resolves farmers' dispute on land and complex issues and report to the superior. It is encouraged that local issues be resolved in accordance with the "one village one policy" or "one matter one discussion" approach.

In this process, land, whether from the right to confirm or from rental and lease, has basic attributes of collective ownership that would not change. The right to confirm land is equivalent to issuing an *ID card* to the farmland, which contains the following: name and basic information of the rural land contractual management right person; name and number of the rural land contractual management right certificate; the period and the date of beginning and ending; the name of the collective economic organization, the land location (coordinates), the land area, the land use of the contracted rural land; and the change of the rural land contractual management right. All of these are aimed to construct a new type of agricultural management policy system and establish a land transfer normative system in the process. This is the second stage of Levin's framework.

Organizational Development. Institutions for policy making are executed from national to local levels. These include the national policy making body (Ministry of Agriculture); the provincial policy delivering body (Department of Agriculture); the city policy delivering body (Agricultural Economic Station); the county's total policy implementing body; the township's policy specific implementing body (Rural Revitalization Office); and the village as a community unit with autonomous right.

The Central Government governs local governments and departments (including the agriculture department). The local government system consists of four layers: provincial, prefecture, county, and township, and they have different roles in implementing the new rural land reform. The lower administrative bodies follow higher administrative bodies. Each of these three institutions has its own internal function and can use various means to achieve this goal. The changes in the roles of national and local government are laid out in Table 10.

The respondents in the FGD and KII generally believed that collective power is being renewed in a considerable part of the rural areas. Further, the original village-level autonomous organizations are still playing a strong administrative role. Otherwise, the active role of intermediate organizations (banks) and the autonomy of the village community have begun playing an important role in the integration of grassroots society.

Organization development in the process of policy change is mainly relevant to the village community and two types of organization, namely the bank and the agriculture enterprise. The change of land policy leads to the redistribution of benefits that drives the three kinds of

Table 10*Changes in national and local governments level in policy changes from 1978 household responsibility institution to 2008 new rural land reforms**(Source: From KII)*

Changes	National	Local government system (Provincial, prefecture, county, and township)
Function	- Formulate general policies and supervise regulation of provincial implementation, which is built on an understanding of the role of social and cultural norms in governing relationships within and between groups of social actors. - The State Council is responsible for issuing national documents, and the institution authorized by the State Council shall supervise the land use and land administration of the people's governments of provinces, autonomous regions, and municipalities directly. - Establish relevant cultivated land legislation at the national level to provide identifiable ground for local governments and relevant interest groups, at the same time restraining from them legislation power.	- Each province has issued its own documents and work policies without violating the national policies. - The right and duty to follow laws and administrative regulations - The relevant documents of confirmation, registration, and issuance of rural land contractual management rights at provincial levels
Responsibility	Protect individual's property, enforce collective rights, and prevent abuse in administration of power	Arrange specific implementation strategies according to provincial conditions and supervise the schedule and legality of the implementation by the lower administrative organs
Enforcement	Macroscopical control, set the bottom line for regulations, permit provincial free play	Unified provincial arrangements, municipal responsibility, specific implementation at the community grassroots; the force of community is strengthened.
Form	Legal and Executive Order	Report and Case
Amendments to law and orders	- Land Administration Law of the People's Republic of China - Law of the People's Republic of China	Local regulations formulated by the local people's congresses

organizations: the agriculture enterprise, community, and the bank, to cooperate and compromise, and finally reach an acceptable balance point. There is a closer relationship among them.

Development of Agriculture Enterprise. The Ministry of the Rural Industry Development, Department of the Ministry of Agriculture and Rural Affairs of the People's Republic of China have published the latest list of key national leading enterprises in agricultural industrialization.

Henan has 76 big corporate enterprises that are leading scale agricultural production and developing agriculture technology in the province. These have become the pillar industry of each township in the list. The corporate enterprises need to sublet land for long periods of time as this arrangement is more suitable to their needs. Therefore, the village cooperative, as the middleman connecting farmers and enterprises, needs to coordinate and ensure the interests of both entities. The enterprise contractor receives a state subsidy in the form of discount for purchasing machines or seeds. For the second contract, the income increases and the degree of mechanization and cultivation becomes more extensive if the leased land area is large.

Bank. The People's Bank of China announced on March 24, 2016 that more than 600 million rural residents of China would have access to credit markets. Likewise, banks have the right to provide collateral for credit by land mortgage. Farmers can take the land certificate to the bank to obtain loans for the next step of investment, so that land assets can be activated, and given the corresponding property rights. This is part of the effort to ease restrictions on land and entitlement to land property (Table 11).

The survey results of the three townships in Henan, however, show that no farmer has applied for loans because the specific implementation plan has not been issued. Farmers only have the contract right of cultivated land even if they can use the certificate of confirmation as collateral. Once the farmers cannot repay, the contract farmland cannot be bought and sold, only rent can be used to pay off debt, and the risk is difficult to control for the bank.

Community (village collective) Development. Communities are known to be dynamic and internally diverse (Bell & Newby, 1971; Bryden & Hart, 2000). In the previous era before the *New Land Reform Policy*, the economic cooperation function of the community was not as significant. The community has a weak function in strengthening the cooperation among farmers and between the farmers and communities. The function

Table 11
Function and role of the bank in the new system

Function	Explanatory notes
Mortgage loan to contracted landowner	With the rural land confirmation certificate, farmer may apply to the rural commercial bank and the agricultural bank for a mortgage loan
Establishment of specialized land banks	Establishment of specialized land banks in every county. The specific operation of “land bank” is as follows: agricultural resource management cooperative adopts bank operation mode; farmers voluntarily deposit land contractual management right into “land bank”, collect deposit “interest”, “then block the land and lend to farmers willing to plant, collect loan “interest”; farmers plant according to “land bank” requirements; realize the scale, collectivization, and intensive operation of land, promote the transformation of production mode after farmers concentrated rent,” land bank “earns the interest for its own development and build risk funds, etc.
Realization of the interest interaction between “land bank”, farmers, and leading enterprises	To ensure that the deposit of land can be fully loaned out, the “land bank” must also introduce leading enterprises and sign cooperation agreements. The enterprises shall provide seeds, fertilizer, and other agricultural inputs and technical guidance to the large households, and sign guaranteed price for the purchase of products with the large households. This will reduce the risk faced by large households, effectively mobilize the enthusiasm of farmers to plant, increase farmers' income, and promote the interest interaction between “land bank”, farmers and leading enterprises.
Distribution of “land bank” benefits	After the transfer of land contractual management rights, farmers do not have to worry about the land. There are “land banks” with unified management. There is freedom of surplus labor to work in the field, through employment training output. Farmers not only get work income but also land transfer income and benefits distributed by the “land bank.”

and role of the community in implementing the *New Rural Land Reform Policy* as shown in Table 12 is more heightened communal-based social relations in the land rent process.

Table 12
Role and function of community leaders in the New Rural Land Reform Policy
(Source: Results of KII with community leaders)

Role and function	Explanatory notes
Specific coordination and validation of land area	• Contracted land area according to the contents of the village's original records and aerial photography • Farmers confirm the signatures
Application for land ownership certification; collection of land contracted certification from villagers	• On behalf of the village collective to apply the village collective land confirmation certificate • Submission of each peasant's application of contract land
Establishment of economic cooperatives	• As the main body of social activities, cooperatives increase the collective attribute of the village as the unit of social participation, negotiate collective projects, attract investment, and promote cooperative income
Promotion of "Three changes" and "Five combinations" cooperative model	• In addition to the self-cultivated land of farmers, villages also have collective constructive land, and the income from this land is used for farmers' dividends. For rural collective land, it is a policy of three changes and five combinations. "Three changes" refer to the change of resources to assets, capital to equity, and farmers to shareholders. "Five combinations" refer to the establishment of five major cooperatives, namely: asset-share cooperatives, land-share cooperatives, labor-share cooperatives, three industrial integration stock cooperatives, and housing stock cooperatives.

The case study of different income strata (three counties with low, medium, and high levels) shows many commonalities and differences in the willingness and behavior choice of land circulation among them. The main manner of circulation is interpersonal relationship, and the means of agreement is oral agreement. The difference is mainly reflected in the choice of land circulation form. The rural land circulation policy is characterized by state intervention with the government as the lead in promoting land circulation. However, the lack of rural land circulation policy is increasingly prominent.

In the interview with government officers, they pointed out that in the field survey pilot work, the biggest gap between contract area in 1978 and measured area reached 40%. Some believed that the contract area in 1978 shall have the right, the contract area shall prevail, and the measured area shall be recorded in the field, and the change registration shall be carried out after the approval of the members of the collective economic organization.

Another problem is the second round of contracting. The rural areas generally share land by each farmer and contract by households, and the second round contract period with some farmers has terminated by approximately 15 years and approximately 40 years after first round of contracting, which began in 1978. Over time, some registered permanent residents may have moved out, died, entered the army, or married, or some may have moved to the town. From the survey, the average household population of about 50% of farmers changed after 15 years of contract period.

Hard questions have come to the fore regarding issues of “community for whom?” and about “which local community” (Shortall & Shucksmith, 1998). The choice of community or enterprise for farmers to lease out land depends on the credit of the community. Now, farmers choose to lease land to the community and sublet it to other enterprises in the community, not because the credit or rent of the community is higher than that of the enterprise, but because there is credit support from the state behind the community. The economic cooperation function of the community has been magnified from the previous establishment.

Farmers in the early stage of implementing the *New Rural Land Reform Policy* were cautious and tentative. To promote the new policy, the state needs to take the community as the bridge to gradually dispel the farmers’ early concerns and form the land circulation market. The community’s force is from the farmers who can be united to resist the opening of foreign capital investment in agriculture after the emergence of capital operation agglomeration.

The respondents said that the “Five combinations” of a cooperative model (Huijie, 2021) with the community was successful although there were no economic benefits. Cooperation in different areas of the community separates the administrative and economic functions of the community. It also increases the transparency of the five directions of cooperation in the community.

But rural construction land dividends are less than expected. These dividends are given mainly to attract investment and accelerate the construction of village-level projects to stem rural migration. The survey shows that although each village has carried out the construction of the three orders and five cooperation modes according to the arrangements of the Party's Central Committee and the government, the current dividend is less (Huijie, 2021). Thus, to achieve the goal of Lewin's theory of change, there is a need for more operational policy support to attain both the unfreeze and the refreeze state.

CONCLUSION AND RECOMMENDATIONS

Conclusion

Several conclusions can be drawn from this study. First, there is differential economic impact across the counties as shown by the case study. There was positive economic impact in the high to medium income counties, but no gains were achieved in the low income counties. Farmers in Xiaodong and Xitao gained higher income than farmers in Beguio because they had better economic bases even before the implementation of the *New Rural Land Reform Policy*. With better skills, they are employable in non-agricultural sector, and relatively more open to new ideas. Hence, they were adapted to the *New Rural Land Reform Policy* provisions and adjust to the changes more quickly, and thus the refreezing stage begins in Lewin's 3 step cycle of change.

More respondents in high income county were willing to rent land to a private company because the county already has many local enterprises; thus, securing another source of income. Even before the *New Rural Land Reform Policy* was implemented, private companies had already begun cooperating with farmers in this particular county. The enterprises were credible to the farmers, which led to trust-building and stable relationship between them. This is also a form of refreeze from the private companies. With the above attributes of respondents in the high income county, they were found to be more receptive to the new land transfer policies.

Second, in terms of social impacts, in implementing the New Rural Land Reform Policy in Henan province, the institutional structure change, organization development and community development closely follow Lewin's three-step Change theory. The effectiveness of these social changes may take some years due to the difficulty to communicate the

new policy, and the long-term behavioral changes that will take a while to manifest, even if the institutional arrangements are already in place. Unfreezing and strengthening the new or changed state could require more years. Other new relevant sub-changes or changes in farmers' behavior in terms of more privatization practices or entry to the cultivated land market need to be reinforced.

In terms of the social structure, this new system involves the institutional change of the local government (provincial, prefecture, county, and township) in Henan province. The new responsibility of each level of local governments for cooperation has been built.

For organizational development, there are three kinds of organizations that are present in the county as main players- the agriculture enterprise, community, and the bank. The change of land reform policy leads to the redistribution of benefits across these three that can drive them to cooperate and compromise, and finally reach an acceptable balance point. With the new policy, there should ideally be a closer relationship among them.

The corporate enterprises need to sublet land for long periods of time as this arrangement is more suitable to their needs. Therefore, the village cooperative, as the middleman connecting farmers/ community and enterprises, needs to coordinate and ensure the interests of both entities.

Banks have the right to provide collateral for credit by land mortgage. Farmers can take the land certificate to the bank to obtain loans for the next step of investment so that land assets can be activated and given the corresponding property rights. This is part of the effort to ease restrictions on land and entitlement to land property. But data in the case study showed that no farmer has applied for loans because the specific implementation plan has not been issued. Farmers have only the contract right of cultivated land even if they can use the certificate of confirmation as collateral. Once the farmers cannot repay, the contract farmland cannot be bought and sold, only rent can be used to pay off debt, and the risk is difficult to control for the bank.

Lastly, community development needs to be present. The choice of community or enterprise for farmers to lease out land depends on the credit credibility of the community. Farmers choose to lease land to the community and sublet it to other enterprises in the community, not because the credit or rent of the community is higher than that of the enterprise, but because there is credit support from the state behind the community. The economic cooperation function of the community has been magnified, from the previous establishment.

However, the respondents also mentioned that despite the success of the “Five combinations” of a cooperative model in the community, it was revealed that there were no economic benefits because rural construction land dividends are less than expected. What was felt to be beneficial was the cooperation in different areas of the community that separates its administrative and economic functions. This model also increases the transparency of cooperation in the community.

Recommendations

How does one refreeze after the policy change? Refreezing means the practice of new behaviors into everyday actions, and thus, there is need to strengthen the new behavior that supports this change. Based on the findings and conclusions of the study, incentives will have to be in place and operational policies will be needed to support these behavioral changes.

To sway behavior of farmers to participate in the new land reform policy leasing and renting, especially in the low income counties, more job opportunities that are aligned with the skills of the residents need to be in place. For instance, post-harvest facilities, small scale vegetable enterprises, can be engaged in by members of the poor households. This can ensure income outside of the farm, and which can be an incentive for them to be willing to rent out the farm to enterprises that can make the land more productive.

Establishing agricultural land evaluation institutions can take on the mandate of developing land grading and land price evaluation. There should be objective and fair evaluation of land grade and market prices, for the circulation of fair transactions. The government should strengthen land management to provide scientific basis for any decision.

There is also a need to confirm the ownership, contract rights, and management rights in the policy action process in Henan province and beyond. With the continuous improvement of land value, farmers and collective economic organizations need not only protect their rights and interests through certificates, but also realize increase in their income and contribute to agriculture development with the help of certificates (land titles). The current law should specify processes of certification.

In terms of structural change, local governments are given more participation in the new policy. Among others, counties are charged with implementation issues and verifying the feasibility of the policy in the process, managing funds for the purpose, and jointly with the Ministry of

Agriculture, issuing land certificates. The land certificate confirms the size and area of the land and is signed by the farmers after the completion of aerial mapping by satellite. All these will need capacity building and funds to be effective. Rural grassroots institutions are considered the frontline organizers of the new rural land reform policy. Hence, professional quality training and improving local government performance is imperative. Considering these changes, the local government must consider strategies for a more stable plan for change.

For organizational development in support of the new policy, the three major organizations of agricultural enterprise, community cooperative and banks should have more incentives to closely cooperate and coordinate. One way to do this is to establish guarantee mechanism for agricultural risks (natural and market risks), and be able to forecast these risks. Incentives to broaden employment channels, and speed up the construction of enterprises in small towns as discussed above is also promising. This can also encourage rural urbanization. There is a need to encourage industrial and commercial enterprises to invest in agriculture in rural areas by policy instruments such as tax holidays. The government can also provide guidance, improved capacities for more employment in nearby urban villages. This availability of employment outside of the villages can actually support the refreezing behavior in the longer term. Both banks and government can study the constraints to why farmers do not avail themselves of the loans, as found in this study.

In terms of roles of the community to promote the new policy, the state needs to take the community (village cooperatives as an example) as the bridge to gradually dispel the farmers' early concerns and form the land circulation market. The community's force is from the farmers who can be united to resist the opening of foreign capital investment in agriculture after the emergence of capital operation agglomeration. The cooperative model needs to be strengthened and should study ways on how to increase the dividends accruing to the community.

The *New Rural Land Reform Policy* in 2008 tried to improve the 1978 land reform policy, through the introduction of market-oriented companies and the implementation of a stable collective ownership land reform. With the establishment of the land market, it is expected that there will be a smoother circulation of cultivated land markets and human resources. However, there are still support activities that are needed for the *New Rural Land Reform Policy* to effect a real change in both the economic and social life of Chinese citizens. The proposed government strategies and improvement of the *New Rural Land Reform Policy*, where communities are prime movers and local institutions are empowered vis a

vis the national CPC, may imply that there is hope for a fair and just agricultural economic development that can alleviate rural poverty in China. This can also be a model for other countries with similar economic and political conditions as China.

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